



2005 - 2006

MAYOR'S RECOMMENDED
CITY OF LINCOLN

ANNUAL OPERATING BUDGET



Below: Mayor Seng and friends at an event for the SAFE KIDS Coalition.



Monday, Aug. 8

The City Council holds a public hearing on the proposed budget at 4:30 p.m.

Wednesday, Aug. 10

The City Council votes on changes to the Mayor's recommended budget at 10 a.m.

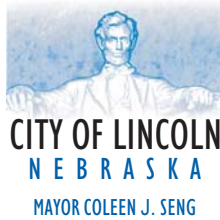
Monday, Aug. 22

The City Council adopts the budget at 1:30 p.m.

These meetings are in the City Council Chambers, first floor of the County-City Building, 555 South 10th Street.

The City Council will hold a public hearing and adopt the final tax rate prior to October 15.

lincoln.ne.gov



Dear Citizens of Lincoln,

Lincoln is welcoming the reopening of the beautiful Sunken Gardens. The entire community can take pride in this \$1.7 million renovation. Many residents, organizations and businesses worked with the City Parks and Recreation Department to raise private funds for the first major renovation of the Gardens since it was built in 1930. It's a great example of people working together to benefit the community.

Maintaining important community services and not increasing the property tax rate were priorities as I prepared the City budget. My proposed budget does not increase the City property tax rate beyond the voter-approved storm sewer bond issue. The budget does not cut swimming pool or library hours. It supports public safety by maintaining police and fire staffing and adding to their pension fund. And it supports job creation with proposals for infrastructure financing and industrial parks.

This was not an easy budget to balance. We closed the potential shortfall of \$8.7 million by working with the City Council and reaching consensus to not add new programs, to make spending cuts and to defer some projects. We competitively bid the City health insurance, which saved substantial money to close the gap. The result is a lean budget.

There are many reasons to be positive about Lincoln. Great neighborhoods and schools, low crime, a growing population and economy. More than 1,300 jobs have been created in the City so far this year. The July 2005 issue of *Expansion Management* magazine praises Lincoln for its business climate and opportunities. My vision for Lincoln is to continue adding good jobs, to maintain our quality of life and to establish a fair way to pay for the growth of our City. Lincoln residents have many reasons to speak proudly and promote Lincoln as the community of opportunity.

Coleen J. Seng, Mayor of Lincoln



The first public event at the renovated Sunken Gardens was a July 14th concert by the Corigliano String Quartet, part of the Meadowlark Music Festival.

JOBS ECONOMIC DEVELOPMENT

The number of jobs in Lincoln is growing! More than 1,300 new jobs have been created in the City this year at companies like Arck Foods, Burlington Northern Santa Fe, Cabela's, Kawasaki, Molex, State Farm, TAG-TMI, Universal Cold Storage, U.S. Foods and Yankee Hill Brick. The City has authorized a new 800-acre industrial and office park near Interstate 80 and N.W. 48th Street, where two employers are making plans to build. The City is expanding into Stevens Creek, and the Antelope Valley Project is opening 50 acres in the heart of our city for new university research facilities and private businesses. The Mayor has worked with the State to make the South Beltway a top priority, and design plans are being finalized.

Lincoln has much to attract business. It's the State Capitol and home to the flagship campus of the University of Nebraska. Lincoln ranks high in livability studies because of its excellent educational system, recreational opportunities, quality neighborhoods and stable business climate. *Forbes* magazine ranks Lincoln fourth on its list of best communities for business and careers. *Expansion Management* magazine ranks Lincoln as among the top 10 best places in the U.S. to locate a company and named the City as a "Five Star Quality of Life Metro." Lincoln is home to two companies on *Fortune* magazine's annual list of "Top Companies to Work for in America."



Molex is the world's second largest manufacturer of electronic, electrical and fiber optic interconnection products and systems. The company plans to add to its 700-employee Lincoln workforce.

The City continues to create opportunities to spur investment and encourage businesses to create more jobs:

- Redevelopment projects have been selected for the north and south sides of the blighted area at 48th and "O" streets.
- Mayor Seng has authorized blight studies for two areas (*West "O" Street and near the airport on Cornhusker Highway*) and is reviewing a third for the Interstate 80 and 56th Street interchange.

- After implementing 17 improvements two years ago, the effort to streamline the development process is moving forward to start phase two. Mayor Seng has authorized an audit of the process by a national consultant who specializes in examining regulatory and development processes.
- The Mayor organized an Events Facility Task Force with representatives from all venues in the City to hammer out a single vision for future convention and arena space.
- Redevelopment projects in the North 27th Street, Havelock and University Place commercial districts are spurring private investment in those neighborhoods.
- The excitement continues to grow in downtown Lincoln, with a proposed new master plan to guide and encourage future private developments. The new 14-screen Douglas Grand now offers a state-of-the art entertainment experience, and new sculptures have been added to the 12th Street Arts Corridor.

AngelouEconomics, which has been working with the City on its economic development plan, gave Lincoln higher marks in its second-year "report card." Overall, AngelouEconomics gave the City an A for its economic development efforts. Lincoln retained its A-plus rating in education and received additional A-pluses in promoting regional cooperation and improving business retention. Because of the City's efforts to open up industrial land, the grade for establishing business parks jumped to a B-minus.



Diners at the Red Fox enjoy a smoke-free lunch.

HEALTH

Lincoln began 2005 by implementing the workplace smoking ban that voters approved last November.

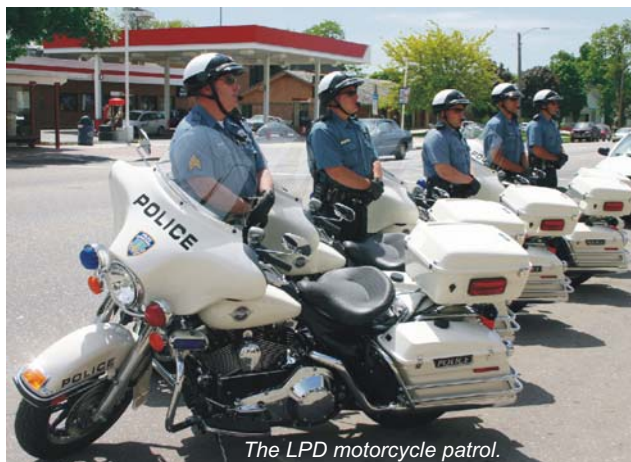
The People's Health Center received \$700,000 in federal funds to expand its building and services.

A collaborative effort of the Lincoln-Lancaster County Health Department and the People's Health Center has been awarded about \$983,000 from the State to enhance delivery of health services to racial and ethnic minority populations. The funds will be used to hire another physician at the People's Health Center and to enhance dental health services, prescription medication assistance and outreach to community centers.

A Mayor's task force issued seven recommendations to improve health care for the homeless. The Community Health Endowment is working with health care providers to implement the improvements.

PUBLIC SAFETY

Lincoln's violent crime rate continues to rank low in comparison to other cities of our size in the nation. This year, two police officers were added to the force, and the Lincoln Police Department (LPD) reestablished a motorcycle patrol after a 25-year absence. Traffic enforcement increased dramatically during the year, and the number of DWI arrests rose by 23 percent to its highest point since 1990. LPD again received national accreditation, recognition achieved by only one other Nebraska agency and less than five percent of the law enforcement agencies in the nation. LPD is nationally and internationally recognized for excellence in crime analysis and information systems.



The LPD motorcycle patrol.



The Fire Department's new fire safety house.

Lincoln Fire and Rescue added three firefighters this past year and has applied for federal grants to subsidize the hiring of future firefighters. This year, emergency personnel responded to nearly 18,000 incidents, including 2,178 fires. Federal grants totaling \$218,000 helped educate at-risk populations about fire safety and prevention and funded distribution of 12,000 free smoke detectors. The department completed an assessment to continue its national accreditation and has been recommended for approval.

The City has annually increased its contributions to the Police and Fire Pension Fund over the past few years under a plan to meet the recommended funding level.

As a result of the Mayor's Group Homes Task Force, the City has changed the way it regulates the facilities to protect both the integrity and safety of neighborhoods and the needs of group home residents.

2005-2006 BUDGET SUMMARY: <i>(TAX FUNDS ONLY)</i>	
Where the money comes from:	
Sales tax - 42%,	\$55,404,929
Property tax - 28%,	\$36,559,485
Occupation tax - 8%,	\$9,793,376
Appropriated balances - 5%,	\$6,954,664
Fees/other revenue - 17%,	\$22,702,598
TOTAL REVENUES: \$131,417,052	
Where the money goes:	
Police - 22%,	\$28,654,988
Fire - 14%,	\$19,035,698
Transfers - 13%,	\$16,429,384
Parks and Rec - 9%,	\$11,594,399
Libraries - 6%,	\$7,509,592
Debt service - 5%,	\$6,594,000
CIP - 1%,	\$1,906,100
Other departments - 30%,	\$39,692,931
TOTAL EXPENDITURES: \$131,417,052	
Change in budget from current year:	
Voter-approved storm sewer bond	.6%
27th pay period <i>(occurs every 12 years)</i>	2.4%
Change in budget items	
controlled by Mayor.....	2.3%
Change from FY2004-05:	5.3%
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STAFFING CHANGES <i>All are estimates</i>	
TAX-FUNDED POSITIONS	
<i>Positions eliminated</i>	<i>-14.96</i>
1 Building & Safety housing inspector	
1 Building & Safety part-time position	
.5 Women's Commission office staff	
1.6 Aging Lifelines magazine	
1 Aging GOAL computer coordinator	
.57 Aging - various work hours	
1 StarTran mechanic	
1 StarTran operator	
1.6 Police records technician	
1 Parks Forestry position	
1 Animal control officer	
1 Health community outreach specialist	
2.69 Other classified positions	
<i>Classified positions added.....</i>	<i>+6.51</i>
.67 Internal auditor <i>(partial year)</i>	
1 Benefits clerk	
.5 Parks operations coordinator	
1.37 ParksLearning Center Supervisor <i>(previously grant-funded)</i>	
.52 Parks laborer	
.45 Other classified positions	
<i>Unclassified part-time positions added...*</i>	<i>+8.64</i>
8.64 Parks part-time positions	
COST SAVINGS TO TAX-FUND: -\$190,347	
NON TAX-FUNDED POSITIONS	
<i>Classified positions eliminated.....</i>	<i>-4.55</i>
3 Info. Services, .4 Aging, 1.15 Parks golf	
<i>Seasonal workers eliminated.....</i>	<i>-1.14</i>
.94 Parks golf, .2 Personnel	
<i>Classified positions added.....</i>	<i>+7.75</i>
6.25 Public Works, 1.5 Police	
NET STAFFING CHANGE:	+2.25

TOP BOND RATINGS

Lincoln is one of about 40 cities in the nation to have the highest ratings from the two major bond rating agencies (Moody's and Standard and Poor's) on its general obligation bonds. The triple-A bond ratings help Lincoln borrow at the lowest possible interest rate. One reason for the City's high rating is a strong General Fund balance. The City follows a formal policy of maintaining a General Fund reserve of at least 15 percent over the five-year forecast. Moody's report cites Lincoln's stable economy, healthy tax base, population growth, strong financial operations and low debt burden.

PARKS

The Sunken Gardens are back, with a re-dedication ceremony planned for August 21. About \$1.7 million was raised for the first major renovation of the Sunken Gardens in its 75-year history. Partial funding came from the Lincoln Cares program, which allows Lincoln Electric System customers to donate one dollar a month for parks improvements. In its third year, Lincoln Cares is funding a half basketball court at Belmont Park, the renovation of the Sherman Field complex, a trail along Huntington and Leighton between 33rd and 48th streets, benches along the new trail loop at Holmes Lake, the Green Team summer youth employment program, scholarships for swimming and recreation programs and a shelter for the Nebraska Liberty Bell

Holmes Lake is re-filling after a major restoration project. Improvements include two pedestrian bridges to create a 2.2-mile trail loop around the lake, a new fishing pier, fishing jetties and a boat launch facility. The project is to be completed this fall.

The size of the Arbor Lake wetlands increased by 70 acres when land containing eastern saline wetlands was acquired near 27th and Arbor Road. Funding partners were the Nebraska Environmental Trust (NET) and the Saline Wetlands Partnership made up of the City, Lancaster County, Lower Platte South NRD, the Nebraska Game and Parks Commission and The Nature Conservancy. The City received approval of an additional three-year NET grant for this project.

Improvements to Woods Park include a new sprayground and renovations of the tennis clubhouse and plaza. The City welcomed a new playground at McAdams Park, a renovated playground at Pentzer Park and resurfaced slides at Star City Shores. The City partnered with Lancaster County, the Lincoln Parks and Recreation Foundation, the NET and others to acquire 230 acres of prairie west of Pioneers Park. Projects under way include a renovated playground at West Lincoln Park, funded by a U.S. Cellular donation; the state-funded renovation of Bowling Lake; further Pentzer Park renovation; Roberts Park playground renovation; and development of Country View Park.



Woods Park Sprayground

Lincoln's nationally recognized trails system continues to grow. The first phase of the trail from the Holmes Lake Dog Run to Old Cheney is moving forward. The City received State funds for the second phase of the Antelope Creek Trail from Old Cheney to Highway 2. When completed, this project will provide a continuous eight-mile trail from Highway 2 to the downtown University of Nebraska campus. Other trail projects under way include a connector trail from 56th and Highway 2 to Old Cheney and the Jamaica North Trail.

INFRASTRUCTURE PUBLIC WORKS & UTILITIES

Construction of the overpass near the Devaney Center

- This spring and summer, more than 500 people toured the largest public works project in City history, the Antelope Valley Project. The Corps of Engineers has completed about 25 percent of the channel, and the bridges at Military, Vine and "Y" streets are completed. Work is under way on the overpass spanning the railroad tracks south of the Devaney Center. Ground has been broken for one of the first redevelopment efforts in the area, an affordable housing project.
- The State is finalizing the design for the South Beltway, and the City has taken steps to preserve the East Beltway corridor.
- The Stevens Creek comprehensive watershed master plan has been completed, and work will begin this fall on the first phase of the Stevens Creek Trunk Sewer.
- The City and County are working to adopt the RUTS (*Rural to Urban Transition Streets*) program to build roads at a lower cost as rural roads transition to urban streets.
- The 84th Street widening and water main project from Montello to near Highway 2 is scheduled to be completed by the end of this year.
- Street construction projects under way include Pine Lake, 40th to 56th; Yankee Hill, 27th to 40th; and South 27th, Whispering Winds to Yankee Hill.
- The City rehabilitated three miles of neighborhood streets.
- A pavement management plan is being implemented to help spot where minor repairs can be made early to avoid expensive, time-consuming repairs in the future.



- About \$2 million in federal safety funding was used for the 40th and Sheridan roundabout and improvements at the 27th Street intersections with "O" and Highway 2.
- About five miles of sidewalks were repaired.
- About 235 crosswalks, including many school crossings, received new durable markings.
- The City completed replacing the school crossing signs with more visible, fluorescent ones.
- More than 20 traffic signals were rebuilt to accommodate wider roads and to replace outdated systems.
- Water system capacity improvements are under way. Last year, 25 blocks of water mains were rebuilt.
- The Salt Valley Trunk Sewer pipeline was completed ahead of schedule to allow for growth in south Lincoln. A trunk line is being built to begin serving the new industrial park near N.W. 48th and Interstate 80.
- Construction is progressing on \$32 million in improvements to the City's two water treatment plants to meet new federal standards and increase capacity.
- The City completed about \$5.5 million in storm drain improvements.
- The City and the Lower Platte South NRD received a national award for excellence in floodplain management for flood standards in new growth areas adopted last year.
- In March, Lincoln became the first U.S. city to convert its bus fleet to an ethanol-diesel blend. StarTran was recently featured in the U.S. Conference of Mayor's publication for its partnership in the Smart Commute™ Initiative to promote home ownership and public transit. StarTran also initiated the "Ride for Five" program to provide discounted bus passes to low-income riders and is implementing a program to better meet the needs of seniors and those dealing with disabilities.

PROPERTY TAX FACTS

- The City property tax rate has declined regularly since 1993. Over the last 12 years, the City property tax rate has decreased 42.1 percent. The only increases in the tax rate have been due to voter-approved bond issues.
- The passage of the voter-approved storm sewer bond in May 2005 is adding one-half cent to the City property tax rate for the operating budget for 2005-2006. The preliminary 2005-2006 City property tax rate would be 30.1 cents. The rate remains 1.3 cents below the 2002 rate.
- For the owner of a \$125,000 home, the City tax rate change would mean an increase of \$7.41 for 2005-2006. For a \$75,000 home, the change is \$4.45, and for a \$200,000 home, the change is \$11.86. An individual's total property tax bill will be determined by the budget actions of the other governmental entities.
- City government is 14.3 percent of the total property tax for 2004-2005. By comparison, the Lincoln Public Schools share is 64.4 percent.
- Growth in the property tax base is estimated at 2.75 percent. That includes "real" growth from new construction, annexations and all other changes in the tax base.

BALANCING THE BUDGET

Voter-approved action

- Interest and principal payments for storm sewer bonds approved by voters in May 2005: \$724,335.

Proposed spending additions

Public Safety -

- Increase City contribution to the Police and Fire Pension Fund to bring it closer to actuarially determined annual cost: \$500,000.
- Seek federal grant funds to add firefighters: no budget impact in 2005-2006.

Public Works -

- Shift funding for electricity for traffic signals and street lights, maintenance of traffic signals and Associate Engineering Specialist to General Fund: \$246,900.
- Fund "Ride for Five" low-income bus pass program: \$205,000.
- Add funds for more street markings: \$125,000.

Parks and Recreation -

- Enhance fee-supported recreation programs at Pershing Elementary, Calvert Rec Center, Belmont Summer Day and Park Teen Center and establish Focus Summer Day Camps: \$213,528.
- Maintain new park areas and trails: \$29,297.

Miscellaneous -

- Provide local match allowing State Fair to receive \$2 million from the State Lottery (as approved by Nebraska voters): \$210,000.
- Increase fuel budget due to higher prices: \$100,000.
- Add internal auditor position to complement annual independent external audit: \$70,000.

Proposed savings

Personnel -

- Reduce health insurance premiums through competitive bidding: \$1.2 million.

Public Works -

- Sidewalk repair funded at \$253,100 of General Funds.
- Eliminate overtime to install and maintain traffic signs and pavement markings and for special City events: \$59,558.
- Eliminate StarTran's "Ride Guide" update: \$20,000.
- Eliminate StarTran's educational presentations to third-graders: \$5,167.

Parks and Recreation -

- Eliminate one forestry job: \$49,566.
- Reduce downtown street tree replacement by one-half: \$28,500.
- Reduce supervision ratios at rec centers for before-school and after-school programs to one staff per 15 students: \$22,813.
- Reduce operations of five fountains by four hours per day and 31 days per year (*Cascade/Teachers Fountain and four on Centennial Mall*): \$12,832.
- Eliminate tax funding for Municipal Band concerts: \$10,000.
- Reduce winter weekday hours at Nature Center's Prairie Building (*weekend hours retained*): \$8,612.
- Eliminate summer evening hours at Pioneers Park Nature Center: \$7,751.

Mayor's Divisions/Aging -

- Replace *Lifelines* with smaller magazine: \$101,000.
- Close Carol Yoakum Senior Center (*now open one day per week*): \$8,114.

Health -

- Eliminate one Animal Control Officer: \$36,400.
- Eliminate one Community Outreach Specialist: \$36,044.

Miscellaneous -

- Reduce contractual services and other personnel: \$198,794.
- Eliminate tax funding for AmeriCorps program at libraries: \$19,378.

Proposed revenue increases

- Adjust water rates 7 percent (*effective January 1, 2006*): \$870,000.
- Adjust wastewater rates 9 percent (*effective January 1, 2006*): \$785,000.
- Raise rates at City parking garages: \$344,000.
- Expand Parks and Recreation programs: \$213,528.
- Increase Health Department user rates and fees: \$202,675.
- Increase StarTran fares (*except "Ride for Five"*): \$150,700.
- Forfeitures from civilian pension plan: \$122,500.
- Increase Parks and Recreation user fees: \$110,892.
- Increase fees for special traffic services: \$27,650.
- Increase fee scale for Aging Division's Handyman Program: \$9,426.



Front row from left: Patte Newman, Vice Chair, Northeast District; Ken Svoboda, Chair, At Large; Robin Eschliman, At Large.
Back row from left: Annette McRoy, Northwest District; Jon Camp, Southeast District; Dan Marvin, At Large; Jonathan Cook, Southwest District.

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CITY COUNCIL'S CHANGES TO MAYOR'S RECOMMENDED BUDGET

Additions (proposed by Council):

- Restore Law Department's funding for schools and conferences: \$15,000.
- Restore funding for Municipal Band concerts at Antelope Park: \$5,000.

In addition, the City Council moved \$300,000 from the Urban Development Capital Improvement Program to Contingency and earmarked it for possible restoration and relocation of three properties on North 22nd Street.

Additions (proposed by Mayor):

- Increase budget to cover costs of State Court Administrator's decision: \$59,000.
- Adjust joint County/City agency budgets to reflect actual budget requests by County agencies: \$31,381.
- Restore funding for Municipal Band concerts at Antelope Park: \$5,000 to be used as a one-to-one match for private fund-raising efforts.

Reductions (proposed by Mayor):

- Adjust Joint Budget Committee (JBC) agency budgets to reflect JBC recommendations: \$24,575.
- Adjust City share of Corrections cost due to the declining City share of Corrections population: \$90,806.

Summary:

Total cuts to General Fund budget: \$115,381.
Total additions to General Fund budget: \$115,381.

MAYOR COLEEN J. SENG

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Economic Development - Darl Naumann
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DEPARTMENTS/DIVISIONS

Affirmative Action

Director Joyce Welsch - 441-3871

Lincoln Area Agency on Aging

Director June Pederson - 441-7070

Building and Safety

Director Mike Merwick - 441-7521

Citizen Information Center

Manager Diane Gonzolas - 441-7375

Finance

Director Don Herz - 441-7411

Fire and Rescue

Chief Mike Spadt - 441-7363

Health

Director Bruce Dart - 441-8000

Human Rights

Director Larry Williams - 441-7624

Law

City Attorney Dana Roper - 441-7281

Library

Director Carol Connor - 441-8500

Parks and Recreation

Director Lynn Johnson - 441-7847

Personnel

Director Don Taute - 441-7597

Planning

Director Marvin Krout - 441-7491

Police

Chief Tom Casady - 441-7204

Public Works and Utilities

Director Karl Fredrickson - 441-7548

Urban Development

Director Marc Wullschleger - 441-7606

Women's Commission

Director Bonnie Coffey - 441-7716

FEEDBACK

The City of Lincoln wants to hear from you. Do you find this budget publication helpful and informative? From July 30 through August 31, consider calling **441-0731** to leave a message about this publication or your comments on the City budget. You also can express your opinion by sending an e-mail to mayor@lincoln.ne.gov or by contacting the Mayor, City Council or City Departments at the phone numbers and addresses listed on this page.

VISIT lincoln.ne.gov

More than 12,000 people use the City-County Web site each day. E-pay services now include the option to pay parking tickets, water bills, animal license renewals, Husker football parking, criminal history checks and property taxes. The County-City Building at 555 South 10th Street is now equipped with free wireless connectivity to the Internet. Coming this fall is a new interactive system that will allow residents to submit complaints and follow their resolution online.

The government cable access channel, 5 CITY-TV, offers live video-streaming of public meetings through the Web site. Many programs also are available through video-on-demand.

InterLinc™

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